

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 21, 2008**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** November 1, 2008

DATE: October 8, 2008

TO: Public Utility Commission

FROM: Renee Sloan

THROUGH: Lee Sparling, Marc Hellman, and Michael Dougherty

SUBJECT: AVION WATER COMPANY INC: (Advice No. 08-36) Revises Rule 22, Billing Information/Late-Payment Charge.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Avion Water Company Inc.'s (Avion or Company) proposed tariff changes, effective November 1, 2008.

DISCUSSION:

On September 17, 2008, Avion filed Advice No. 08-36 to revise the Company's Rule 22, Billing Information / Late-Payment Charge, contained in Tariff Sheet No. 23. Avion filed a replacement sheet on September 26, 2007.

Paragraph two of Avion's Rule 22 states that the Company will make reasonable efforts to prepare opening and closing bills from actual meter readings; however, when there is good reason for doing so, estimated bills may be submitted. During the winter months of November through February, Avion will read meters with alternate months estimated at 700 cubic feet per month for residential customers. Bills are trued up at the next meter reading, usually the month following the month with the estimated reading.

With this filing, Avion proposes to revise the Company's Rule 22, paragraph three, by removing language that allows a customer not to pay for estimated winter usage at the time of billing by notifying the Company that it believes the estimate is too high and then paying only the base rate.

Current paragraph three language:

All bills become delinquent if not paid within 30 days of the date of transmittal of the bill. OAR 860-036-0125 requires a minimum of 15 days. The late-payment charge, determined by the Commission and listed on the Miscellaneous Service Charges Schedule 3, shall be applied to all overdue balances at the time of preparing the subsequent months' bill *with one exception. If the customer believes that the winter water usage estimate of 700 cubic feet per month is too high, the customer may notify the Utility and pay the base amount specified in Schedule No. 1 by the due date. No late payment charge will be assessed for the difference. The account will be reconciled and trued up at the next meter reading.* If permitted to become delinquent, water service may be terminated after proper notice as provided in Rule 28, Disconnection of Water Service for Cause.

Revised paragraph three language:

All bills become delinquent if not paid within 30 days of the date of transmittal of the bill. OAR 860-036-0125 requires a minimum of 15 days. The late-payment charge, determined by the Commission and listed on the Miscellaneous Service Charges Schedule 3, shall be applied to all overdue balances at the time of preparing the subsequent months' bill. If permitted to become delinquent, water service may be terminated after proper notice as provided in Rule 28, Disconnection of Water Service for Cause.

Avion provided documentation showing that residential customers use an average of 798 cubic feet of water monthly during November through February, exceeding the estimated 700 cubic feet.

Staff reviewed the Advice No. 08-36 filing and agrees with Avion's assessment that removing the Rule 22 language as proposed is not expected to harm any customers. Additionally, if the Commission approves the proposed revision, Avion's tariffs will not be inconsistent with those of other rate regulated water utilities.

Staff recommends the proposed tariff be allowed to go into effect.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.210 and ORS 757.225, Avion Water Company, Inc.'s proposed tariff changes be approved, with a November 1, 2008, effective date.